HOUSE No. 4276 [LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

Christine E. Canavan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to establish a moratorium on foreclosures in the city of Brockton.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Christine E. Canavan	10th Plymouth
Michael Brady	9th Plymouth
Geraldine Creedon	11th Plymouth
Thomas P. Kennedy	Second Plymouth and Bristol

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

An Act to establish a moratorium on foreclosures in the city of Brockton.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- SECTION 1. WHEREAS, in 2008 a housing crisis began when the number of
- 2 foreclosures of prime and subprime mortgages in the United States dramatically increased; and
- WHEREAS, the housing crisis has had a negative impact on the city of Brockton; and
- 4 WHEREAS, the city of Brockton has seen a dramatic increase in foreclosures; and
- 5 WHEREAS, the city of Brockton has the highest foreclosure rate in the commonwealth of
- 6 Massachusetts; and
- WHEREAS, the situation severely impacts the citizens of Brockton due to fact that hundreds of
- 8 people have lost their homes and are forced to become homeless; and
- 9 WHEREAS, the high rate of foreclosures in the city of Brockton has led to scores of properties
- being left vacant and in a state of disrepair; and
- WHEREAS, the large number of foreclosures has negatively affected the level of services that
- the city of Brockton can provide its citizens due to loss of income due to the loss of taxes and a
- decline in property values; and
- WHEREFORE, the city of Brockton declares a state of emergency due to this housing crisis.
- 15 SECTION 2. Notwithstanding the provisions of any general or special law to the contrary,
- no foreclosures shall be conducted for a period of 180 days after the effective date of this
- section, on any residential real estate located in the city of Brockton having a dwelling
- house with accommodations for 4 or less separate households and occupied in whole or in
- part by an obligor on the mortgage debt, on any mortgage which is presumptively unfair by
- virtue of having one of the following:
- 21 (a) an adjustable rate loan with an introductory period of 3 years or less; and a debt-to
- income ratio in excess of 50 percent under the fully indexed rate; and the loan-to-value ratio
- 23 is 97 percent or greater, or the loan carries substantial prepayment penalties or prepayment

- 24 penalties extend beyond the introductory period; or
- 25 (b) interest-only loans; or
- 26 (c) loans with high points, fees or interest in violation of section 2 of chapter 183C of the
- 27 General Laws, the Predatory Home Loan Practices Act.
- 28 SECTION 3. During said 180-day period, neither the registry of deeds for Plymouth
- 29 county, nor any assistant recorder of the land court, shall accept for recording or filing for
- 30 registration any foreclosure deed involving real estate located in the city of Brockton
- 31 pursuant to a foreclosure conducted in violation of this act.
- 32 SECTION 4. During the I80-day moratorium period; mortgage holders shall provide an
- authorized representative to enter into good faith negotiations with borrowers who so
- request, to modify the terms of their mortgages, including, reducing the principal, lowering
- 35 the interest rate, eliminating prepayment penalties, and other fees and costs so that qualified
- 36 homeowners can obtain affordable mortgages that will allow them to stay in their homes. No
- fees or penalties shall accrue during the moratorium period.
- 38 SECTION 5. This act shall take effect upon its passage.